

Exhibit No. 2
 Date 3/9/2015
 Bill No. HJ 8

FISCAL NOTE

Bill #: HB0124

Title: User charge to fund Law Enforcement Academy

Primary Sponsor: Olson, A

Status: As Amended in House Committee

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

Fiscal Summary

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
Expenditures:		
General Fund	(\$1,103,400)	(\$1,106,952)
State Special Revenue	\$1,103,400	\$1,106,952
Revenue:		
State Special Revenue	\$1,278,122	\$1,278,122
Net Impact on General Fund Balance:	(\$1,103,400)	(\$1,106,952)

- | | |
|--|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input checked="" type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

- The Montana Law Enforcement Academy (MLEA) within the Department of Justice is primarily funded with general fund.
- HB 124 creates a state special revenue account that will replace the general fund appropriation for MLEA in the amount of \$1,103,400 in FY 2004 and \$1,106,952 in FY 2005. The recommended Executive Budget already includes this fund switch and the general fund balance sheet was adjusted for the savings.
- In 2001 there were 228,236 cases filed in courts of limited jurisdiction, excluding civil cases and small claims cases.
- Of these cases a total of \$641,246 was collected for a \$5 court surcharge for the Court Information Technology. This represents a 56 percent (\$641,246 / \$5 / 228,236) collection rate, which will be used for this fiscal note.
- Assuming this surcharge is imposed on all required individuals, a total of \$1,278,122 (228,236 x \$10 x .56) will be collected, forwarded to the Department of Revenue, and deposited into the MLEA state special revenue account.
- The Department of Justice will borrow from other funds within the agency until the revenues are collected in the early stages of the fund switch.

Fiscal Note Request HB0124
, As Amended in House Committee
(continued)

FISCAL IMPACT:
Department of Justice
Program 18 – Division of Criminal Investigation

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<u>Funding of Expenditures:</u>		
General Fund (01)	(\$1,103,400)	(\$1,106,952)
State Special Revenue (02)	\$1,103,400	\$1,106,952
<u>Revenues:</u>		
State Special Revenue (02)	\$1,278,122	\$1,278,122
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$1,103,400)	(\$1,106,952)
State Special Revenue (02)	\$174,722	\$171,170

DEDICATION OF REVENUE:

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)

Montana Law Enforcement Academy Historical Perspective of Funding Issues

2003 – 58th Legislative Session
HB 124

“An act creating a special revenue account to be used by the Department of Justice on behalf of the Montana Law Enforcement Academy; providing for a surcharge upon certain criminal convictions to fund Law Enforcement Academy operations; and providing an effective date and applicability dates.”

- Fiscal Note – Assumptions:

(5) “Assuming this surcharge is imposed on all required individuals, a total of \$1,278,122 will be collected, forwarded to the Department of Revenue, and deposited into the MLEA state special revenue account.”

2009 – 61st Legislative Session

LFD Budget Analysis – Major LFD Issues – Page D-40

“Montana Law Enforcement Academy state special revenue funds may not be adequate to support the level of expenditure requested in the 2009 biennium budget.”

2011 – 62st Legislative Session

LFD Budget Analysis – Major LFD Issues – Page D-90

“Solvency of the Montana Law Enforcement Academy state special revenue account is discussed for the third biennia.”

2013 – 63rd Legislative Session

LFD Budget Analysis – Major LFD Issues – Page D-57

“Law Enforcement Academy funding.”

HB 2 Amendment HB000263-D.AGD

“This amendment is for the Division of Criminal Investigation in the Department of Justice. It increases state special revenue, from the non-restricted highways state special revenue account, by \$175,000 each year (\$350,000 for the biennium) to augment funding in the Montana Law Enforcement Academy.”

-----■-----■-----■-----■-----■-----■-----■-----■-----■-----
2003 Surcharge Revenue Assumption -

\$1,278,122

2009 Surcharge Revenues Actual -	\$ 993,408	Difference -	\$ - 284,714
2010 Surcharge Revenues Actual -	\$ 999,565	Difference -	\$ - 278,557
2011 Surcharge Revenues Actual -	\$ 962,376	Difference -	\$ - 315,746
2012 Surcharge Revenues Actual -	\$ 946,947	Difference -	\$ - 331,175
2013 Surcharge Revenues Actual -	\$ 945,718	Difference -	\$ - 332,404
2014 Surcharge Revenues Actual -	\$ 894,100	Difference -	\$ - 384,022